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## Q4 2025 Accounting Advisory Guide: The AICPA Conference Highlights a Profession at an Inflection Point

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For accounting leaders and financial reporting teams, Riveron [accounting advisory](#) professionals lay out insights from the [2025 AICPA & CIMA Conference on Current SEC and PCAOB Developments](#). Speakers from the SEC, PCAOB, FASB, and other accounting and finance leaders from the practitioner, investor, and preparer communities highlighted key topics currently impacting financial reporting. A high-velocity mix of geopolitical risk, regulatory action, and AI disruption is redefining the mandate for finance leaders. Each conference session made clear that the next era will reward organizations that modernize governance, elevate data and controls, and operationalize emerging technology with discipline and speed.

### In Riveron's Q4 Guide:

01

#### Overarching Conference Themes

This year's conference explored risk, regulation, and technology; a return to fundamentals; and AI's breakout year.

02

#### Updates from the PCAOB, SEC, and the Office of the Chief Accountant

The SEC places a sharper focus on disclosure Quality; highlights from the Division of Corporate Finance and Office of the Chief Accountant; staffing constraints are reshaping review priorities; enforcement is zeroing in on materiality and accountability; PCAOB emphasizes "one more degree" mindset; and QC 1000 is approaching and will be a transformational shift.

03

#### Accounting Standards Updates and Technical Developments

Income statement disaggregation (DISE); software capitalization and internal-use software; income tax disclosures; other notable standards and updates, including: (1) derivative scope refinements — ASU 2025-07 (Topic 815), (2) environmental credit accounting, (3) accounting for seasoned purchased loans, (4) government grants for for-profit entities, and (5) hedge accounting improvements.

04

#### Other Hot Topics

Transaction complexity is rising; the future of accounting education and AI-enabled training; Fraud risk in the age of AI and hybrid work; Investor expectations, activism, and the demand for a cohesive narrative; the future of quarterly reporting.

05

#### Explore Related Insights and Webinars

# 01 | Overarching Conference Themes

- **Risk, regulation, and technology:** The conference delivered a clear message: accounting and finance teams sit at the center of a rapidly shifting economic, regulatory, and technological landscape. Speakers underscored that confidence in capital markets still rests on trust, quality, and independence, even as AI reshapes workflows, geopolitical forces disrupt decision-making, and technological innovation evolves at a rapid pace. Across three days of sessions, the profession was characterized as standing at an inflection point. The environment is faster, more complex, and more interdependent than in years past, demanding that accounting and finance leaders adapt their mindsets and adapt strategies accordingly.
- **A return to fundamentals:** While technological transformation dominated much of the agenda, Day 1 opened with a reminder that the profession's foundation remains unchanged. Leaders from the AICPA, SEC, and PCAOB consistently emphasized that independence, professional skepticism, and quality system management are non-negotiable. Concerns about evolving firm structures, private-equity ownership models, and uneven independence safeguards have prompted calls for stronger governance.
- **Forthcoming PCAOB quality management expectations** were described as urgent priorities, not administrative exercises. Speakers repeatedly tied audit quality to the stability of broader capital markets.
- **AI's breakout year:** No topic carried more momentum than artificial intelligence. Unlike prior years, AI was discussed not as an emerging possibility but as an operational reality where accountants can play a key role in designing and implementing controls for AI across the broader enterprise. As one speaker summarized, AI is not replacing accountants; it is replacing accountants who do not use AI. Conference sessions showcased tools already reshaping workflows, and the narrative was balanced: AI's speed and analytical depth present unprecedented opportunity, but model governance, data quality, training, and human oversight are essential, along with documentation and design of controls to address new risks relating to the use of AI. Speakers referenced risks such as hallucinations, bias, and over-reliance, and called for controls designed for probabilistic systems like AI rather than deterministic models, which have historically been utilized by financial reporting.





## 02 | Updates from the PCAOB, SEC, and the Office of the Chief Accountant

### The SEC places a sharper focus on disclosure quality

Day 1 of the Conference kicked off with Paul Atkins, SEC Chairman, and Kurt Hohl, SEC Chief Accountant. The SEC Chairman emphasized a need to simplify disclosures to focus on key items – using the ballooning risk factors section of the 10K as an example where simplification and focus would be helpful to investors. Atkins also highlighted the SEC's efforts on cryptocurrency regulation to help structure markets and encourage innovation. The SEC Chairman expects to utilize specialized government employees to help with rule proposals on these topics over the next year.

Hohl similarly hit on the theme of addressing cryptocurrency issues in step with the FASB as a priority of the SEC. The Chief Accountant also discussed the need for convergence in international and US accounting and auditing standards, as well as highlighting the SEC's role in oversight at the PCAOB. Noting how the recent government shutdown factored into delaying the ongoing search for new PCAOB board members, which was one of several ways the SEC has been forced recently to conduct operations with reduced resources. This was also highlighted by other panels.

### Highlights from the Division of Corporate Finance and Office of the Chief Accountant

The staff at the Division of Corporate Finance (CorpFin) is experiencing staffing constraints, which combined with the recent government shutdown has led to a significant backlog of filings to review.

The Division's Director, James Moloney, said that, while IPO filings will be prioritized, the filings will generally be reviewed on a first-in, first-out basis. The staff focused discussion on recurring areas for consultation, waivers, or comments, including:

- **Rule 3-05 waiver requests and predecessor determination:** With the increased number of spin-offs and put-together transactions, the staff reminded preparers that the determination of the predecessor is highly dependent upon the facts and circumstances of the individual transaction, and that the accounting acquirer may not always be the predecessor. They recommended early engagement with auditors and pre-consultation with SEC staff to avoid comments after filing. It was emphasized that revenue and expense captions under Rule 5-03 should align with emerging Disaggregation of Statement Expenses (DISE) requirements and existing segment and revenue disclosure standards to ensure consistency across the financial statements.
- **Non-GAAP measures:** This continues to be an area of comments for CorpFin, with the staff issuing a reminder that the non-GAAP measure must not be misleading to investors and that disclosures must comply with Regulation G. Adjustments to calculate a non-GAAP measure from a GAAP measure must be clearly presented and defined and any non-GAAP measures viewed as misleading by the staff need to be removed from all subsequent filings or public disclosures.
- **Risk factors:** There should be increased transparency of disclosures around the risks tied to macroeconomic and geopolitical conditions, tariffs, supply chain and trade restrictions, and emerging technologies such as AI. The staff urged management teams to revisit their risk factors section to ensure that it's been updated to reflect evolving economic conditions.
- **Other presentation matters:** Additional disclosure themes raised by practitioners included the need for appropriate disaggregation within the operating section of the statement of cash flows, avoidance of aggregating dissimilar items or netting unrelated cash flows, and heightened focus on identifying and disclosing material related-party transactions.



Additionally, the Office of the Chief Accountant (OCA) highlighted key accounting topics they are currently seeing through consultations and in filings, which included:

- **Segment reporting:** With the new guidance under ASU 2023-07 in effect for public filers over the past year, the staff is providing feedback on the incremental disclosures. Single-reporting segment entities still need to comply with all of the disclosure requirements under ASC 280 and all companies (regardless of being single or multi-segment) must provide sufficient explanations for both how the chief operating decision maker (CODM) uses measures of profit or loss to allocate resources, and further addressed situations where the staff is noting a lack of fulsome disclosures over significant segment expenses.
- **Revenue presentation under Rule 5-03:** Revenue for tangible products and services has to be presented separately on the face of the income statement if those amounts are greater than 10% of net sales. If licenses are a separate performance obligation under ASC 606 within a software arrangement, the staff's view is that the product revenue should be presented as a separate line item on the income statement.

OCA also highlighted the accounting issues associated with data centers, given the rapid growth and investment in AI and related infrastructure projects. The accounting implications for data centers include:

- **Lease versus service determination (ASC 842):** Data center and colocation arrangements frequently involve capacity-based pricing, variable payments, renewal options, and substitution rights. These features can significantly influence whether an arrangement contains an identified asset and therefore qualifies as a lease or a service. Power purchase agreements tied to data centers add further complexity, requiring evaluation of embedded leases or derivatives.
- **Revenue recognition and contract modifications (ASC 606):** While tariffs and energy pricing do not directly change revenue recognition models, speakers noted they often trigger contract modifications or require enhanced disclosures. Changes in usage patterns or pricing terms can necessitate reassessment of performance obligations and allocation of consideration.
- **Impairment and long-lived asset risk:** The capital-intensive nature of data centers heightens impairment risk for PP&E, intangibles,



and goodwill. Inflation, rapid technological change, and evolving assumptions around AI-driven demand can materially affect cash flow projections, resulting in unit-of-account determinations and forecasting discipline critical. In addition to impairment considerations, speakers emphasized the need to reassess useful lives of data center assets as technology cycles accelerate. Changes in utilization patterns, energy efficiency, or hardware obsolescence may warrant shorter depreciation periods even when impairment indicators are not present, reinforcing the need for ongoing reassessment rather than reliance on historical assumptions.

- **Consolidation and joint venture structures:** Many data center investments are structured as single-asset entities or joint ventures. Small shifts in governance rights, economic exposure, or decision-making authority can change consolidation conclusions under the VIE or voting interest models, requiring ongoing monitoring rather than one-time assessments.
- **Financing and classification judgments:** Specialized financing arrangements tied to data center projects raise challenging debt-versus-equity classification issues. Panelists cautioned that contract terms that appear commercially straightforward can have unexpected accounting outcomes if not analyzed holistically.

The overarching message from the conference was that data centers should no longer be treated as routine infrastructure assets. Their accounting implications span multiple accounting standards and evolve as contracts, technology, and usage patterns change. Early accounting involvement, robust documentation, and close coordination with legal, tax,

and operations teams are essential to managing risk as organizations scale their digital and AI capabilities.

### **Staffing constraints are reshaping review priorities**

The SEC's internal challenges are influencing its external posture. Facing both a notable loss of experienced personnel across multiple divisions such as CorpFin, OCA and Enforcement and delays in the hiring process due to the recent government shutdown, the SEC is operating at approximately 40% below the normal headcount. The agency is concentrating its limited resources on higher-impact areas, including IPO reviews, major rulemaking initiatives, and enforcement matters with broad implications. As a result, reviews of filings may become less predictable, and companies should not assume past timing patterns will hold.

### **Enforcement is zeroing in on materiality and accountability**

Enforcement officials reiterated that materiality assessments, and the documentation supporting them, are often decisive in investigations. Additional themes included a continued push for individual accountability as a deterrent, heightened focus on valuation, impairment, and revenue recognition issues, and recognition that early cooperation and well-structured issue summaries can meaningfully shorten or even avert investigations.

Speakers also noted that a longer-term OCA priority is a potential overhaul of Regulation S-K aimed at eliminating immaterial or duplicative disclosure requirements. The objective is to sharpen investor focus on decision-useful information and reduce compliance burden created by legacy disclosure mandates that no longer meaningfully inform capital allocation decisions.

### **PCAOB emphasizes a “one more degree” mindset**

George Botic, Acting Chair of the PCAOB, while acknowledging improvements in inspection results over the past two years, delivered a strong message centered on audit quality, independence, and readiness for a more demanding inspection environment. Botic also highlighted that the PCAOB aims to reduce complexity of rulemaking and to focus on PCAOB inspections of quality system management policies as opposed to focusing on individual engagement teams

and engagements. There was a renewed push for skepticism and documentation; speakers emphasized that high-quality auditing requires more probing follow-up questions, stronger documentation of professional judgments, and clear rationale for reliance on specialists and sampling decisions. The “one more degree” mindset – the practice of asking one more question was highlighted as a differentiator between adequate and exceptional audit work.

### **QC 1000 is approaching and will be a transformational shift**

The new quality control standard (postponed, now effective Dec. 15, 2026) places greater emphasis on firm-level systems and risk management. Firms and issuers should expect inspections to focus more heavily on the following:

- Governance and accountability frameworks
- Responsiveness to emerging risks
- Monitoring technology use, including AI.

The PCAOB also expressed concerns about pressures created by private equity ownership of audit firms and over-reliance on AI tools without adequate oversight or validation. Audit committees and CFOs were encouraged to engage directly with

audit firms about resourcing, technology capabilities, and quality control management. Additionally, speakers noted increasing convergence between PCAOB standards and global frameworks issued by the IAASB and ISQM initiatives, signaling a shift toward more system-based quality management expectations and greater alignment across US and international audit regimes. The panelists also flagged concerns around the long-term stability of international accounting standard-setting amid funding pressures that could affect future agenda priorities.

In discussions throughout the conference, the speakers returned repeatedly to a familiar theme: fundamentals matter. Regulators emphasized that clearer disclosures over material issues, stronger governance, and sharper risk assessments remain essential, particularly as companies navigate a shifting risk landscape. The Office of the Chief Accountant (OCA) underscored the point, stressing the importance of high-quality judgments and robust documentation to support them.

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## 03 | Accounting Standards Updates and Technical Developments

FASB and accounting firm technical accounting leaders outlined a range of newly issued standards driven by economic and business model changes. The FASB also discussed the results of its recent agenda consultation, which generated more than 130 comment letters across over 70 potential topics. The volume of feedback underscores stakeholder demand for prioritization and clarity, with the Board expected to deliberate and communicate its agenda decisions in summer 2026.

### Income statement disaggregation (DISE)

Companies are beginning to operationalize ASU 2024-03, Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40), which expands disclosure requirements and disaggregation expectations for income statement line items. ASU 2025-01 clarified public business entities are required to adopt the guidance in Update 2024-03 in annual reporting periods beginning after Dec. 15, 2026, and interim periods within annual reporting periods beginning after Dec. 15, 2027.

Conference speakers emphasized that preparers are already experiencing system and data architecture strain as it relates to the enhanced reporting requirements under DISE. Significant upgrades may be required to track natural expense components at a more granular level. Early coordination with IT, controllership, FP&A, and auditors was emphasized to avoid year-end surprises. Speakers emphasized that effective DISE implementation will require close alignment with segment footnote reporting, as companies will need to ensure consistency between disaggregated expense disclosures under DISE and the identification of significant segment expenses reported to the CODM, making coordinated planning across both requirements essential. The panel also highlighted the global context for DISE implementation, noting that the IASB has issued IFRS 18, which introduces similar income statement disaggregation requirements for foreign issuers. Based on a poll conducted during the conference, most companies and preparers are continuing to evaluate or are in early stages of implementing the new standard.

### Software capitalization and internal-use software

The conference discussed new authoritative guidance from ASU 2025-06 regarding internal-

use software costs, which is effective for annual reporting periods beginning after Dec. 15, 2027. The guidance is intended to modernize accounting for current software development practices and align more closely with how technology projects are actually executed today, including internal platforms, website functionality, and certain SaaS implementation activities.

Key implications described throughout sessions:

- The traditional linear “waterfall” development model can no longer be presumed; therefore, the stages of development outlined in the existing guidance are no longer utilized. Agile software development requires continuous reassessment of capitalization stages.
- Instead of a focus on stages, the trigger for capitalization is to be focused on whether the software development will be completed, with two criteria needing to be met: (1) management has authorized and committed to funding the software project; and (2) it’s probable the project will be completed and used to perform the function intended.
- Companies must apply more explicit judgment in determining when development uncertainties are resolved; a threshold necessary for capitalization under the second criteria.
- Real-time evaluation and documentation are now essential, and companies should reassess the readiness of project approval controls, stage-gate documentation, and parallel system build processes.
- The new standard may result in a lower amount of expenses being capitalizable when compared to amounts capitalized under the prior standard.

### Income tax disclosures

ASU 2023-09, Improvements to Income Tax Disclosures, changes transparency expectations around effective tax rate (ETR) reconciliation and cash tax data. 2023-09 is effective for annual periods beginning after Dec. 15, 2024. Many companies are choosing retrospective adoption to enhance comparability, but prospective adoption is permitted. The new disclosures require disaggregated ETR items by nature and jurisdiction, jurisdiction-level taxes

paid, and additional clarity around rate drivers and sustainability of tax attributes.

Tight coordination across tax, FP&A, accounting, and data governance teams is required to capture jurisdictional data consistently across disparate systems. While data is available, many companies' financial reporting teams are finding that the relevant disclosure data is not wholly captured in their tax provision software. Conference panelists highlighted dependencies between tax workflows, forecasting processes, and the financial statement close. Tax disclosure preparers and finance teams must synchronize closely when choosing to adopt retrospectively or prospectively, as a prospective adoption may be a lighter lift for tax teams but reduce comparability over key disclosures for analysts, investors, and other stakeholders. Conference panelists and attendees frequently indicated that they expect the implementation of this standard to be a pain point for preparers for the 10-K. This means financial reporting teams will need to start preparing for how this type of disclosure will come together in their year-end reporting.



## Other notable standards and updates

Panelists walked through several standards that are newly effective or approaching adoption windows:

### 1. Derivative scope refinements — ASU 2025-07 (Topic 815)

Rich Jones, the FASB Chair, noted that, based under existing guidance, the definition of a derivative was broad and that the Board was looking to bring the scope of derivatives back to align more closely with the intent when the guidance was originally issued. The new standard, finalized in September, introduces a principle-based exception for contracts with underlyings that are based on the operations or activities specific to one of the parties to the contract. The key points related to derivative scope refinement include:

- Contracts with features that are contingent upon the operations of one of the parties to the contract—or requiring performance of one of the parties to the contract—will now be out of scope. Examples include ESG-linked financial instruments and litigation-funding arrangements.
- The new standard excludes exchange-traded contracts, any contract that only has a market index, or any contract with long-standing models, such as those involving an entity's own equity.
- If the contract has multiple underlyings, in which one would meet the scope exception and one would not, entities must assess which underlying is more predominant. The determination of this assessment will dictate the accounting methods to be followed for the contract.

The newly issued standard also addresses the accounting for share-based non-cash consideration from a customer in a revenue contract, and the interaction between ASC 606 and other guidance applicable to these arrangements. An example given by the Board was a scenario in which a customer issued warrants that vest based on performance under the contract. In this case, the guidance in ASC 606 will apply to the non-cash consideration until the entity's right to receive the share-based payment is unconditional under ASC 606. The Board clarified that unconditional means it is not conditional on the entity's performance obligations or a specific outcome of the entity's performance. Once this threshold is met, guidance under ASC 815 will apply to the warrant arrangement.

ASU 2025-07 is effective for all entities in annual periods beginning after Dec. 15, 2026, including

interim periods within those periods. Early adoption is permitted. Entities may adopt on a prospective or modified-retrospective basis and may elect to apply the derivative scope refinements on an instrument-by-instrument basis.

## 2. Environmental credit accounting

The forthcoming ASU on environmental credit accounting was finalized over the summer and marks the conclusion of a yearlong project shaped by an exposure draft and broad stakeholder feedback. It defines the scope of environmental credits (such as carbon offsets, emission allowances, RECs, and RINs) and sets principles for when these credits should be recognized as assets. The recognition and measurement model has been defined with the following outline:

- Recognition depends on whether it is probable that a credit will be used for compliance or sold, which requires evaluating management's intent.
- Compliance credits (those that are probable of being used to settle an environmental credit obligation) are measured at cost and are not tested for impairment.
- Noncompliance credits are recognized but do not meet the compliance threshold. They are also measured at cost but require being tested for impairments. An accounting policy election is also being provided, which allows for subsequent measurement of a class of noncompliance environmental credits at fair value.
- Environmental credits purchased solely for voluntary purposes are not considered probable of being used to settle an obligation or being sold or transferred. The cost for these credits will be recognized as an expense immediately.
- Environmental credit obligations will be measured using a linked measurement model, distinguishing funded vs. unfunded portions of the obligation. This is measured based on the compliance environment credits the entity has and expects to use to settle the obligation.

The standard also provides guidance for accounting for environmental credits and obligations in business combinations and includes disclosure requirements, which were streamlined through the re-deliberations process based on stakeholder feedback. Overall, the ASU will establish a consistent framework that balances operational practicality with decision-useful information, with issuance expected during 2026.

## 3. Accounting for seasoned purchased loans

The FASB issued ASU 2025-08 in November 2025, which made changes to the accounting for acquired seasoned loans that were subject to the current expected credit losses (CECL) model under ASC 326. The Board decided to narrowly focus on purchased loans, and particularly is looking to address the double counting of expected losses in scenarios where loans are being established at fair value upon issuance (based on expected future cash flows, which considers expected losses) and management teams are required to record an initial allowance of doubtful accounts upon issuance.

Under the new standard, the population of purchased financial assets subject to the gross-up approach under ASC 326 will be expanded to include purchased seasoned loans in hopes of resolving the double counting issue. This guidance does not apply to credit cards, purchased credit deteriorated assets (PCD), originated assets, or other acquired assets. To determine how the new guidance will fall into the existing CECL model, the Board provides the following steps to perform when assessing a purchased loan:

- Determine if the purchased loan is PCD. If so, continue to apply the gross-up approach in ASC 326
- If the loan is not PCD and not a credit card, perform an evaluation to determine if the loan is seasoned, which includes:
  - Transferred loans that are economically similar to those that would be originated by the purchaser
  - Loans acquired through a business combination
  - Loans that are not acquired through a business combination, but which are transferred more than 90 days after loan origination date and for which the buyer is not involved in the origination of the loan

The Board believes that this new standard will result in more acquired loans being accounted for using the gross-up approach, which is better aligned with the original intent of the CECL standard.

ASU 2025-08 is effective for fiscal years beginning after Dec. 15, 2026, with early adoption permitted. Entities are permitted to early adopt in interim or annual periods for which financials have not yet been issued. If adopted in an interim period, entities can choose whether to adopt as of the beginning of that interim period or as of the beginning of the annual period that includes that interim period.



#### 4. Government grants for for-profit entities

The FASB issued ASC 2025-10 just days before the conference, which establishes authoritative guidance under US GAAP for government grants received by business entities. The Board leveraged IAS 20 as a starting point for the standard, which is guidance that many entities have historically used by analogy to account for government grants, adding updates to make it more workable and clear for users.

Key features of the guidance include:

- Defining a government grant as a transfer of a monetary asset or a tangible non-monetary asset, other than in an exchange transaction, from the government to a business entity.
- This standard does not apply to transactions that are in the scope of ASC 740 for income taxes, the benefit of below-market interest rate loans, government guarantees, or transferable tax credits.
- Distinguishing between asset-related grants (conditioned on the purchase, construction, or acquisition of an asset) and income-related grants (e.g., intended to offset operating costs).
- A government grant received is not to be recognized until it is probable that the entity will comply with the conditions attached to the grant, and the grant will be received, and the entity meets all other recognition guidance.
- Asset-related grants can be recognized using the deferred income approach or cost accumulation approach, allowing for the grant to better reflect the economics of the grant and the nature of the entity's activities.

The new standard also provides guidance for accounting for government grants in a business combination and includes disclosure requirements to improve comparability.

The guidance will take effect for public companies for annual periods beginning after Dec. 15, 2028, and interim periods within those annual periods. The guidance takes effect the following year for all other entities. Early adoption is permitted.

#### 5. Hedge accounting improvements

ASU 2025-09 was issued in November, which provides amendments to certain areas of ASC 815. These latest hedge accounting improvements are in response to practice issues that have emerged since targeted improvements were issued in 2017 and throughout the transition away from LIBOR.

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The amendment focuses on distinct issues, with the notable enhancements in the update including:

- Introduces a tailored hedge accounting model for choose-your-rate debt instruments, resolving long-standing diversity in practice.
- Provides a framework that accommodates the embedded optionality in these instruments without disrupting hedge accounting outcomes.
- Targets unintuitive results across five identified practice issues to better align accounting with actual risk management activities.
- Replaces the shared risk requirement with a similar risk criterion for pooling forecasted transactions in cash flow hedges, allowing entities (particularly banks) to hedge variable-rate loan pools more effectively and avoid missed forecasts when portfolios shift.

This amendment becomes effective for public entities with fiscal years beginning after Dec. 15, 2026, and interim periods within those annual periods. The guidance takes effect the following year for all other entities. Early adoption is permitted.

## 04 | Other Hot Topics

### Transaction complexity is rising

The market is continuing to see highly complex, unique transaction structures while [IPO activity is on the rise](#). Management teams often underestimate the governance, control, and data requirements of reporting under PCAOB standards. Certain topics, such as SPAC unwinds, the classification of earn-outs, equity method considerations, and carve-outs can be cumbersome and time-intensive to work through, while also implementing the new (and existing) public company reporting requirements—such as segment reporting and DISE. Auditors also stressed the need for careful evaluation of impairment triggers driven by inflation, tariffs, or shifts in demand. An overall theme at the conference was to engage in discussions with auditors and the governing bodies early to avoid a race to the reporting deadline and comments after filing. Combining early analysis and communication with robust documentation and disclosure is key to a smoother audit cycle.

### The future of accounting education and AI-enabled training

A new presentation on accounting education at the Conference was notably candid about the pace and implications of AI adoption. Professor David Wood demonstrated live examples in which generative AI tools built accounting simulations and reviewed responses in real time, illustrating that the ways we historically used to train junior professionals can now be delivered faster and, in some cases, more effectively by AI. The implication was clear: traditional education models

built around memorization and procedural execution are rapidly losing relevance when AI makes knowledge readily available; rather a need for judgment, skepticism and applied reasoning have to be the focus of learning in the future. This mirrors what employers are already seeing in practice, where the bottleneck is not access to technology but professionals' willingness and ability to use it effectively.

Panelists further discussed how AI is beginning to challenge more than traditional educational approaches; it is also challenging professional services billing models, including the relevance of billable-hour structures as automation accelerates. As AI-driven efficiencies compress execution time, firms and clients alike are rethinking how value is defined, measured, and priced.

### Fraud risk in the age of AI and hybrid work

Despite the emphasis on the need to adopt AI in various ways to increase efficiencies and evolve in a new technological environment, discussions also highlighted two parallel developments:

1. External threats are scaling, with cyber-enabled fraud as the most likely and most rapidly evolving risk.
2. Internal fraud, while less frequent, remains more financially damaging, and cultural deterioration in hybrid work environments can weaken skepticism.

AI was presented as both a challenge and a solution.





Fraudsters are using automation to increase speed and appearance of legitimacy, while organizations deploying AI-driven monitoring tools are surfacing anomalies earlier than ever. Companies must pair technical defenses with cultural reinforcement, and speakers emphasized that these risks are forcing companies to continuously reassess internal controls over financial reporting, expand and redesign key controls, increase testing frequency, and strengthen IT general controls to keep pace with rapidly changing processes, data flows, and risk profiles.

An audit committee panel reinforced the expanding role of internal audit as a strategic risk partner, particularly in areas such as AI adoption, fraud risk, and transformation initiatives. Committee members emphasized the importance of frequent

communication, forward-looking agendas, and a “no-surprises” culture, noting that internal audit is increasingly expected to assess emerging risks rather than solely validate historical controls.

Conference participants also noted that organizations do not need to invent AI governance from scratch, as established frameworks such as those issued by NIST and the OECD, for example, are already available. Several speakers emphasized the growing expectation that boards and audit committees include members with AI or advanced technology expertise to effectively oversee model risk, data governance, and ethical use.

### **Investor expectations, activism, and the demand for a cohesive narrative**

One of the most strategic sessions focused on shareholder activism. Activists increasingly rely on AI-driven text analytics and cross-document comparisons to identify inconsistencies across public filings, earnings calls, and investor presentations.

Finance storytelling must be coherent across all channels; companies that allow narrative drift or boilerplate disclosures create vulnerabilities. Earnings calls are now strategic moments to reinforce long-term value creation and proactively counter activist narratives. Metrics most commonly used as activist triggers include TSR, free cash flow, ROIC, and segment underperformance relative to peers.

### **The future of quarterly reporting**

While not a topic on any one panel, the future of quarterly reporting showed up as a topic that is top of mind of attendees and regulators. Regulators acknowledged ongoing debate about whether the current quarterly reporting model continues to best serve investors and preparers, particularly as global markets increasingly rely on semiannual frameworks and more continuous disclosure practices.

While some policymakers are exploring alternatives that could reduce compliance burden, speakers were clear that any shift away from mandatory quarterly reporting would face practical constraints. Investor expectations, credit agreements, and market norms such as open windows after quarterly earnings continue to demand frequent, reliable financial information. Even if quarterly reporting were to become optional in the future, many issuers would likely continue the practice to meet market and financing requirements, as well as management and board of director reporting.





# 05 | Explore Related Insights and Webinars

## Understand what matters most in 2026

In January, Riveron accounting advisory experts will host a [webinar](#) to more deeply examine the relevant themes from this year's conference, and the session offers free CPE credit for live participants. [Learn more and register here.](#)

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- Read Riveron's latest audit-season considerations when [accounting for equity](#), and find previous accounting advisory insights summarized in our [Q3 2025](#), [Q2 2025](#), and [Q1 2025](#) guides.

- Download a [self-assessment guide](#) that helps finance and accounting teams reimagine their operations while tackling the day-to-day.
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